

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3409-01
BILL NO.: HB 1328
SUBJECT: Cities: Public Safety, Sales Tax
TYPE: Original
DATE: February 7, 2000

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON STATE FUNDS | | | |
|---|-----------------------|-----------------------|-----------------------|
| FUND AFFECTED | FY 2001 | FY 2002 | FY 2003 |
| General Revenue | \$0 or Unknown | \$0 or Unknown | \$0 or Unknown |
| | | | |
| Total Estimated Net Effect on <u>All</u> State Funds | \$0 or Unknown | \$0 or Unknown | \$0 or Unknown |

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2001 | FY 2002 | FY 2003 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|-----------------------|-----------------------|-----------------------|
| FUND AFFECTED | FY 2001 | FY 2002 | FY 2003 |
| Local Government | \$0 or Unknown | \$0 or Unknown | \$0 or Unknown |

***This proposal is permissive.**

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **State Treasurer's Office** assumes no fiscal impact.

Officials of the **Department of Revenue** assume there would be no administrative impact to their department.

Oversight assumes that the Department of Revenue would retain a 1% collection fee that would be deposited into the State's General Revenue Fund. Oversight is not able to determine the amount of revenue that would be generated and will show impact to the State's General Revenue Fund as a positive unknown.

City of St. Joseph officials assume no fiscal impact from this proposal.

City of Poplar Bluff officials assume no fiscal impact.

City of Mexico officials stated there would be no significant fiscal impact from this proposal.

Oversight assumes this proposal is permissive and would require action by the local governing body with voter approval before any local government would realize fiscal impact.

| <u>FISCAL IMPACT - State Government</u> | FY 2001 (10 Mo.) | FY 2002 | FY 2003 |
|---|---------------------|---------|---------|
|---|---------------------|---------|---------|

GENERAL REVENUE FUND

Income to General Revenue Fund

| | | | |
|-------------------------|---------|---------|---------|
| | \$0 or | \$0 or | \$0 or |
| From 1% Collection Fee* | Unknown | Unknown | Unknown |

***Revenue would be dependent upon the number of local governments that would receive voter approval to impose either a law enforcement, or fire protection sales tax.**

| <u>FISCAL IMPACT - Local Government</u> | FY 2001 (10 Mo.) | FY 2002 | FY 2003 |
|---|---------------------|-------------------|-------------------|
| | \$0 or Unknown | \$0 or Unknown | \$0 or Unknown |
| Revenue | | | |

This proposal is permissive, however, there would be fiscal impact if the governing body of a city or a county would seek and receive voter approval to impose a sales tax for fire protection or law enforcement services. There would be income which would be earmarked for providing either fire protection or law enforcement services. Oversight assumes any governmental unit that would receive voter approval to impose a sales tax earmarked for certain use would not spend more than the income generated from the sales tax which would result with either an annual positive or zero fund balance.

FISCAL IMPACT - Small Business

Small businesses located within a city or county that would receive voter approval to impose a sales tax could be expected to be fiscally impacted from the costs related to collection and payment of the tax.

DESCRIPTION

Current law allows the governing body of any county, except Jackson and St. Louis counties, to impose by ordinance and upon voter approval a sales tax up to one-half of 1% on all retail sales for the purpose of providing law enforcement. This bill expands the use of this tax to include fire protection. The bill also allows any city located within a county which has a county-wide sales tax for law enforcement to impose by ordinance and upon voter approval a tax for law enforcement or fire protection. Funds collected from this tax will be deposited into the County or City Public Safety Sales Tax Trust Fund which is created in the bill.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

State Treasurer's Office
Department of Revenue
City of St. Joseph
City of Poplar Bluff
City of Mexico

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive script.

Jeanne Jarrett, CPA
Director
February 7, 2000